

**State and School Employees' Life and Health Insurance Plan
Health Insurance Management Board
Regular Monthly Meeting
February 26, 2014**

The regular monthly meeting of the State and School Employees Health Insurance Management Board convened on Wednesday, February 26, 2014, in Room 139 in the Woolfolk Building located at 501 North West Street in Jackson, Mississippi, at 9:00 a.m. The presiding officer was Mr. Kevin J. Upchurch, Chairman of the Board. A quorum was present.

Members Present:

Voting

Mr. Kevin Upchurch
Mr. Mike Chaney
Dr. Eric Clark
Mr. Larry Fortenberry *(via conference call)*
Ms. DeAnne Mosley
Mr. Liles Williams

Non-Voting

Members Absent:

Mr. Christopher Burkhalter
Ms. Pat Robertson
Dr. Hank Bounds
Dr. Carey Wright *(Represented by Ms. Gracie Sanders)*

The Honorable Herb Frierson
The Honorable Gary Chism
The Honorable Eugene Clarke
The Honorable Videt Carmichael

Department of Finance and Administration Staff Present:

Mr. Richard Self
Ms. Cindy Bradshaw
Mr. Curt Hubbard
Ms. Edie Ivey
Mr. Steve May
Ms. Ashley Harrell
Ms. Amanda Murphy

Attorney General's Office Staff Present:

Ms. Romaine Richards, Esquire

Call to Order

The meeting was chaired and called to order by Mr. Kevin J. Upchurch, Chairman of the Board. Dr. Eric Clark opened the meeting with prayer. Mr. Larry Fortenberry joined the meeting via conference call at 9:05 a.m. and his participation ended at approximately 9:12 a.m.

Approval of the Minutes of the Regular Meeting on January 22, 2014

The minutes of the Board's regular monthly meeting of January 22, 2014, were provided to all Board members for their review prior to the meeting. A motion was made by Dr. Eric Clark to approve the minutes as presented. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley, and Williams voting affirmatively.

Pharmacy Benefit Manager Contract Renewal

Chairman Upchurch recognized Mr. Richard Self, State Insurance Administrator with the Office of Insurance, who advised that the Pharmacy Benefit Manager Contract with Catamaran which began on January 1, 2011, will expire on December 31, 2014. Mr. Self reminded the Board that the contract contains an option to renew for one additional year at the Board's discretion. Mr. Self recommended the Board exercise this option and extend the contract for the fifth year.

A motion was made by Mr. Mike Chaney that the Board approve entering into contract negotiations for a one-year extension to its Pharmacy Benefit Manager Contract with Catamaran, and subject to successful contract negotiations, for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board to extend the contract through December 31, 2015. Mr. Liles Williams seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley, and Williams voting affirmatively.

Medical Management Service Contract Renewal

Chairman Upchurch recognized Mr. Richard Self who advised that the Medical Management Services Contract with ActiveHealth, Inc., which began on January 1, 2011, will expire on December 31, 2014. Mr. Self reminded the Board that the contract contains an option to renew for one additional year at the Board's discretion. Mr. Self recommended the Board exercise this option and extend the contract for the fifth year.

A motion was made by Mr. Liles Williams that the Board approve entering into contract negotiations for a one-year extension to its Medical Management Services Contract with ActiveHealth, Inc., and subject to successful contract negotiations, for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board to extend the contract through December 31, 2015. Mr. Mike Chaney seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley, and Williams voting affirmatively.

Financial Audit Services Contract Extension

Chairman Upchurch recognized Mr. Richard Self who advised that the Financial Audit Services Contract with BKD, LLP which began on August 25, 2011, will expire on August 24, 2014. Mr. Self reminded the Board that the original term of the contract was for two years, and includes three one-year renewal options at the Board's discretion, the first of which having already been executed. Mr. Self recommended that the Board exercise the second renewal option and extend the contract for one year.

A motion was made by Mr. Mike Chaney that the Board approve entering into contract negotiations for a one-year extension to its Financial Audit Services Contract with BKD, LLP, and subject to successful contract negotiations, for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board to extend the contract through August 24, 2015. Dr. Eric Clark seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley, and Williams voting affirmatively.

Direct Contracting Vendor Contract Amendment

Chairman Upchurch recognized Richard Self who reminded the Board that during their September 25, 2013 meeting, they approved an amendment to the Direct Contracting Vendor Contract with Advance Health Systems, Inc., to expand the access for Plan participants to a national network of providers. Mr. Self advised that due to a recent reduction in the national network access fees, this contract needs to be amended to reflect the revised pricing structure in order to take advantage of the expected savings.

A motion was made by Mr. Liles Williams that the Board approve entering into contract negotiations to amend its Direct Contracting Administrator Contract with Advanced Health Systems, Inc., to revise the national network access fee pricing structure, and subject to successful contract negotiations, for the Chairman of the Board to execute the appropriate contract amendment on behalf of the Board. Mr. Mike Chaney seconded the motion. The motion passed by a 5 – 0 vote, with members Chaney, Clark, Fortenberry, Mosley, and Williams voting affirmatively.

Calendar Year 2013 Actuarial Report Preliminary Projections

Chairman Upchurch recognized Mr. Wm. Lynn Townsend, FSA, MAAA, consulting actuary for the Board, who presented an overview of the financial status of the Plan for CY 2013, as well as projections of active employee rates for FY 2015. Copies of the report entitled "*Actuarial Report Calendar Year 2013 Preliminary Projections*" were provided to Board members for their review prior to the meeting. Several potential premium rate scenarios were included in this report.

Financial Statements

Chairman Upchurch recognized Mr. Steve May, Director of Accounting and Analysis with the Office of Insurance, who briefly reviewed the financial statements for the State and School Employees' Life and Health Insurance Plan for the month of January 2014. Copies of the financial statements were provided to Board members for their review prior to the meeting.

General Schedule

Chairman Upchurch recognized Ms. Cindy Bradshaw, Deputy Director with the Office of Insurance, who reviewed the schedule of major activities and actions to be taken by the Board for the next several months.

Old Business

Chairman Upchurch recognized Cindy Bradshaw who updated the Board on the wellness and disease management services development, including enhanced care for participants suffering from diabetes, designed to remove barriers to care and encourage participants to use providers and centers of excellence who demonstrate quality outcomes.

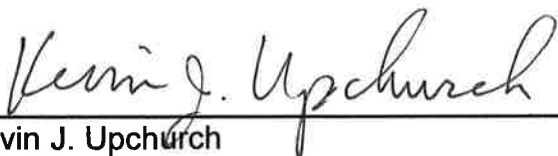
New Business

Chairman Upchurch announced that the Board had received a check in the amount of \$11,167,097, representing the Plan's share of a recent settlement by the State Attorney General's Office with GlaxoSmithKline relative to the drug, Avandia. Chairman Upchurch also acknowledged the work of the Special Assistant Attorney General Romaine Richards, and that of the Office of Insurance staff in helping to recover these funds.

Adjournment

Chairman Upchurch announced that the next regular meeting of the State and School Employees Health Insurance Management Board is scheduled for 9:00 a.m., March 26, 2014, in Room 139, located at the Woolfolk Building.

As there was no further business, the meeting was adjourned at 10:05 a.m.



Kevin J. Upchurch
Chairman
State and School Employees Health Insurance Management Board